

**Business, Transportation and Housing Agency  
Office of Tourism  
Title 10, Chapter 7.67, Sections 5370 – 5377  
California Welcome Centers**

**INITIAL STATEMENT OF REASONS**

**SPECIFIC PURPOSE**

The California Welcome Centers are California's official State visitor centers. They are a statewide-network of visitor information centers, which provide a full complement of area and statewide information to travelers. They are easily identifiable by the Traveling Bear Logo located on highways across the state. This regulation will provide for the designation and maintenance of California Welcome Centers throughout the State of California.

There are currently ten California Welcome Centers in the State and four identified geographic areas in need of a Center.

**NECESSITY**

The Legislature established the California Welcome Centers program to provide a statewide network of visitor information centers to encourage tourism in California and provide benefit to the state economy. Government Code section 13995.151 provides that the Office of Tourism shall establish and enhance the statewide network of California Welcome Centers.

Government Code section 13995.151(a) provides for the Office of Tourism to designate the centers through a solicitation process and identifies the entities that may apply for the designation. This section also provides for establishing criteria to be considered for designation and authorizes the Office of Tourism to limit the number of designated centers within any geographic area of the state to prevent an excessive density of centers. Government Code section 13995.151(b) provides the Office of Tourism shall establish the requirements for the operation of a designated Center.

Section 5370 provides definitions of terms used in the regulation to ensure that the content and meaning of the regulations are clearly understood by the regulated community.

Section 5371 describes an eligible Applicant. This information is provided to outline the mandatory requirements to be considered as a Center. This information will allow persons or entities to decide if they should proceed with the entire application process. Subsection (a)(1) is prescribed by statute and is repeated here to have all the designation criteria in one place. Subsection (a)(2) requires the Center to be in a permanent structure

with heating and air conditioning, as well as adequate parking. Subsection (a)(3) requires the property to be within 2 miles of a major highway. Subsection (a)(4) requires the applicant to have authority to permanently display the required signage on the exterior of the proposed property site.

The intent of the program is to develop long-term traveler information centers throughout the State that are recognizable, assessable, comfortable and user friendly. The Centers are targeting car and bus traffic in California. In order to attract a traveler on a road trip, the Center is going to need to be easily identifiable, with adequate signage and then easily assessable by vehicle. Studies show that 64% of visitors to welcome centers first learn about the Center from highway signage.<sup>1</sup> When they get to the Center, the travelers will relax and spend more time in an environment that is climate controlled, i.e. if they are driving in the desert area and it is 110 degrees outside. Research shows that the Centers meeting this criteria, provide visitors with a pleasant informative experience, giving them the incentive to stay longer in the area, resulting in more visits to attractions and revisiting on future trips.<sup>1</sup>

#### Section 5372. Application Process

Subsection (a) requires the Office to provide a Solicitation of an open application period for a Center to all interested persons and to post it on the website. This information is provided for the benefit of the interested persons. This ensures all interested parties have an opportunity to submit an application.

Subsection (b) requires the applicant to submit four copies of the application for distribution to the review committee.

#### Section 5373. Application. General Information

Section 5373 requires the application to include a general information section, including name, address, operating entity and the proposed director or manager of the center. The applicant's name is needed to identify the party interested in operating a center and to maintain contact with the Applicant during the course of the designation process. The operating entity is needed to verify that it is consistent with Government Code section 13995.151(a). Subsection (b) requires a \$1,000.00 non-refundable application fee which is the cost for the Office to review the application from initial review to site inspection.

#### Section 5374. Proposal Plans and Scoring Criteria

This section requires the application to include specific information about the proposed center site and management. Each section in the proposal will be scored to determine the most qualified applicant.

The statute allows for the Office to limit the number of centers within any geographic area to prevent excessive density of centers. In order to prevent excessive density of

---

<sup>1</sup> LSC Consulting (Document Relied Upon No. 2)

centers, the Office has to monitor the travel patterns and traveler numbers throughout the state to determine where Centers are needed. The application needs to specifically gather data from the applicant that demonstrates that they are the best site in a given geographic area to have a Center. In addition, they also need to be financially and administratively supported to make the Center successful.

Subsection (1) requires a site plan and awards up to 20 points to the location that demonstrates in its plan that it can physically meet the needs of the visitors, both in accessibility comfort and ease of use, as well as providing adequate space for travel information.

Subsection (2) requires a marketing plan and awards up to 20 points to the plan that demonstrate it will meet the traveling needs of the visitors, including travel planning, reservations, food and merchandise availability. This section also requires the Center to demonstrate their plan to promote the center.

Subsection (3) requires a financial plan that will award up to 20 points for a plan that demonstrates adequate funding sources and financial ability to operate the number of hours required by the program. Although the Center may generate revenue once it is operational, the application needs to demonstrate that sufficient funds are available to support the center from the initial opening and to reimburse the State for costs incurred in administering the program.

Subsection (4) requires an operational plan that will award up to 30 points for a plan that demonstrates the center will be adequately staffed, managed, and equipped to be able to continuously assist California travelers.

Subsection (5) provides that a plan that demonstrates local or community support will be awarded up to 10 points. The Centers needs the local support to be successful in a community. A community that values the center will encourage patronage, cooperative marketing, special events, etc.

Subsection (b) provides that only proposals receiving 85-100 points shall be considered for a site visitation. A site with less than 85 points has not demonstrated on paper that they have a location and/or commitment that would provide a successful Center. The required plans provide essential criteria for the success of a California traveler's visitor center. Due to the limited staffing of the program, only the most qualified applicant sites can be physically reviewed.

Subsection (c) provides that a site visitation will be conducted to verify the plans submitted. This section also provides that points will be deducted from the original plan scores for any deficiencies discovered in the site visitation. This will provide a score that is truly representative of the proposed operation.

Subsection (d) provides that the designation shall be given to the site with the most points and will be for a 5-year period. The designation is proposed to be for five years in order

to give the Office and the Center the opportunity to reevaluate the need for a Center in that location and to reassess the operations and feasibility of continuing operation.

#### Section 5375. Continuing Responsibility of CWC

The center is an ongoing commitment to the California traveler and hence is required to continually comply with the Office standards and rules. This includes the financial responsibility of the center is to pay an annual maintenance fee to \$5,000.00 to the Office of Tourism. This money is deposited in the Welcome Center Fund and is required by law, Government Code section 13995.151(c)(1), in order to cover the costs of the continued administration of the program. The program operates with staffing of .5 PY, which is reimbursed through the Welcome Center Fund (See Documents Relied Upon, #1).

This section requires the center to pay all fees associated with signage. This is consistent with Government Code Section 13995.151(c)(1), which requires centers to pay an ongoing fee related to highway sign maintenance.

Subsection (a)(3) requires the Center to attain Office approval before using any California Welcome Center or the California Travel and Tourism Commission's "Find Yourself Here" logo. The Office wants to ensure that they are used appropriately on merchandise, uniforms and signs. This is also consistent with the requirement that all merchandise be appropriate for all ages in subsection (a)(4). All visitors to a Center need to be comfortable in that environment regardless of age, gender, ethnicity, etc. The Office also wants to verify that the logos are not being used to market non-travel related products or services.

Subsections (a)(5) and (a)(8) require the center to provide on-going training to staff and for a manager or designated representative to attend Office meetings. On-going training to the Center's staff ensures that the most current information is being given to travelers, i.e. new attractions, restaurants, hotels in their own community as well as throughout the state. Office meetings enable the Centers to share ideas on increasing service to visitors and are also for the purpose of ensuring consistency among Centers.

Subsection (6) provides that the Center shall not charge for the display of local governmental tourism information. The Centers can be a revenue generating entity, in part by selling display space to advertisers and charging tourism attractions, etc, for displaying their brochures. As part of the overall plan for the Centers to encourage tourism in California, the Centers need to promote their local attractions and provide the information to travelers in order to stimulate tourism within their own community, as well as the entire state.

Subsection (7) provides that the centers shall promote the California Tourism website and the CWC website in all advertising, promotional activities, and on their website. The Center is a collaborative effort with the State and local community to increase tourism in

our state by providing the travelers with information. The sharing of the website addresses provides travelers with additional resources.

#### Section 5376. Revocation of Designation

This section provides that failure to comply with any of the provisions in Section 5375 is cause for revocation of the designation. This is necessary to ensure the Center will continue to operate the visitor's center under the original terms of the designation. This section provides the timelines for the notice to the Center and the corrections of deficiencies. The purpose of this section is not to close down a Center, but to ensure it continues to operate as required by statute and regulation.

#### Section 5377. Appeal Process

This section provides the designated Center an opportunity to appeal a revocation to the Office of Tourism and the Secretary of the Agency. The process allows the Office staff to review the appeal by the Center and to respond in writing within 30 days. The Center is required to submit documentation which supports the position of the Center. The documentation is necessary to avoid an unsubstantiated dispute between the Office and the Center. If the Center is not satisfied with the decision, they have the opportunity to appeal to the Secretary of the Agency. They will be required to send a copy of the original appeal and the decision by the Office, so that the Secretary can be familiar with the entire process in order to make a unbiased decision.

#### **TECHNICAL, THEORETICAL, AND /OR EMPIRICAL STUDIES, REPORTS, OR DOCUMENTS**

The Office did not rely upon any technical, theoretical, or empirical studies, reports, or documents in proposing the adoption of this regulation.

#### **REASONABLE ALTERNATIVES TO THE REGULATION AND THE OFFICE'S REASON FOR REJECTING THOSE ALTERNATIVES**

No other alternatives were presented to or considered by the Office. This regulation implements Government Code section 13995.151 et seq.

#### **REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS**

The Office has not identified any alternatives that would lessen any adverse impact on small business.

#### **EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT ADVERSE ECONOMIC IMPACT ON ANY BUSINESS**

The office has determined that the proposed regulations would not have a significant adverse economic impact on businesses. These regulations only affect an entity requesting designation or operating an existing Center.